



G. THOMAS SURTEES
Commissioner

State of Alabama Department of Revenue

(www.revenue.alabama.gov)
50 North Ripley Street
Montgomery, Alabama 36132

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Assistant Commissioner
LEWIS A. EASTERLY
Secretary

May 15, 2006

To: All Counties and Municipalities in Alabama

On April 17, 2006 the State Legislature passed Act No. 2006-574 exempting certain "covered items" from the state sales and use tax during the first full weekend of August of each year, commencing at 12:01 a.m. on the first Friday in August and ending at twelve midnight the following Sunday, beginning with August 2006. A copy of Rule 810-6-3-.65 entitled Sales Tax Holiday is enclosed. This rule will become effective July 1, 2006 as an emergency rule and will remain in effect for 120 days during which time the Department will take measures to adopt the rule permanently under the administrative rule-making procedures.

Pursuant to Act No. 2006-574, any county or municipality may, by resolution or ordinance adopted at least 30 days prior to the first full weekend of August, provide for the exemption of "covered items" from county or municipal sales or use taxes during the same time period, under the same terms, conditions, and definitions as provided for the state sales tax holiday. A county or municipality is prohibited from providing for a sales and use tax exemption during any period other than the first full weekend in August. As required in the above referenced rule and Code of Alabama 1975, Section 11-51-210(e), a participating county or municipality shall submit a certified copy of their adopted resolution or ordinance providing for the sales tax holiday, and any subsequent amendments thereof, to the Alabama Department of Revenue. The Department will compile this information into a list of all counties and municipalities participating in the sales tax holiday and issue a current publication of the list on its website at:

www.revenue.alabama.gov/salestax/STholiday.htm.

It is important that the retailers in your county or municipality are informed of your decision to participate or not to participate in a timely manner in order for them to make necessary arrangements, including programming cash registers and training employees. It is also important that the Department of Revenue be notified, even if your decision is not to participate, in order to provide assistance and answer questions for the retailers and residents in your county or municipality, and for the proper administration of the taxes during this weekend.

Please provide notification to the Department of whether your locality will participate. If your decision is to participate, include with the notification a certified copy of the resolution or ordinance adopted. Notification can be faxed to 334-353-7666 or mailed to:

ALABAMA DEPARTMENT OF REVENUE
Attention: Deborah Lee, Room 4311
Sales, Use & Business Tax Division
Post Office Box 327900
Montgomery, Alabama 36132-7900

If we can be of assistance, please contact Local Tax Unit, Deborah Lee (334-353-9133), Tina Emfinger (334-242-1499), or James Mayberry (334-353-7718).